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2 September 1977

The "New" Chinese Leadership

STATINTL 1. The facts on the New Leadership. [redacted], NIO/CH)

STATINTL 2. Forces of Cohesion in the Leadership. [redacted] ORPA)

STATINTL 3. Divisive Forces in the Leadership. [redacted] ORPA)

STATINTL 4. Implications for the U.S. [redacted] ORPA)

Also attending: Don Anderson, Department of State

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I. The Leadership of China

--Huge size of new party 7 million since 1973 - 35 million: Russian party 16 million - Euro Communism - Italy 1.7 million, France 550,000.

--44% CC are new members but old cadres (old wine new bottles) - 30% military down from 1973. Systematic approach: provinces fully represented. MRs all there. 13 of 29 provincial bosses shifted since purge. minorities - Uighers, Chuangs & Mongols Tibetans haven't made it.

--Politburo is relatively old but party has 1/2 members since GPCR. 44 - one and 85 one, most 50, 60, 70. Of 10 new members 4 promoted to Politburo are 78, 75, 74, 73.

--All new members (10) are experienced leaders, no helicopters (Wang Hung-wen in 1973).

--Dominated by senior military leadership and rehabilitated party veterans. Merit promotions not revolutionary zeal - specialist rise in fields: Air Force, Planning, Forn Affairs (Europe angle), Prov Politics, Science.

--Two theoreticians in Politburo, economists, organizers, Europe background up but most are still internalists, scientific managers, soldiers 43%, 10-23 on politburo (caveat old ones).

--Continuity - all remaining previous politburo members and alternates "reelected" save one token woman.

--The Standing Committee streamlined from 9 to 5. (Politburo 23 + 3). A certain neatness and balance.

--Hua Kuo-feng. Legal now. Teng says he is elected chairman. Maoist and Mao legacy. Age: 56. Part man - internal affairs.

--Yeh Chien-ying. Chouist. Experience, military prestige. Age: 79; frail health.

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--Teng. Organization. S&T, military and foreign affairs. Age: 73; mil, govt, party. [redacted] says he is in charge. A hard tough bargainer. s/y STAT

--Li. Chouist. Economic continuity and progress. Age: 70.

--Wang. Security - Maoist. Age; 61; Leap frogs up. Peking masses associate him with anit-Teng forces along with Chen Hsi-lien.

II. Reports to Congress

--No significant departure from previous Hua positions.

--Encompasses various viewpoints and reflects debates.

--Establishes an authoritative line but not an unambiguous one.

--Political stability and orderly econ growth.

Key Points

--Wages and productivity linked. Ideological incentives don't work after campaigns and purges - lack of decisiveness in management and cadres.

--GPCR begins and ends (a circle) - not repudiated but distorted by G-4. Teng purged twice - 2 Mao heirs disgraced.

--Hostile to superpowers but tilts towards US.

--Mil modernization - but with expansion of civ. ind. sector.

--Purges-investigations but not disruptive. Keep a cool head. Completed by this year or little later.

--Eight basic points of Hua were all domestic - a customary pattern.

ILLEGIB --four modernizations written into Constitution [redacted]

ILLEGIB [redacted]

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--Collective decision making - mass participation but managerial excellence. Extol diversity and ban dissent. Large scale enterprises do not lend self to participatory democracy.

--Teng's addendum.

"Less empty talk - more hard work"

"Minimum requirement is honest person in word and deed"

Shuns political rhetoric

--Mao is placed in perspective - glorify others as well.

Red Flag.

--Soviets are threat - US hegemony struggle - must accumulate capital - reasonable profit acceptable, G-4 against this - G-4 bad - therefore glorious duty is to increase profits.

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